

ACC1701A Accounting for decision makers
AY2024-25 Semester 1
COURSE OUTLINE

In brief

The course provides an introduction to accounting from a user perspective. Financial reporting is covered from the viewpoint of an external investor. The focus is on how accounting can help investors make better decisions. Bookkeeping and preparation of financial statements are also covered at an introductory level, as investors need to be aware of how the financial statements are derived.

This course is a distinct and independent course from other courses with the codes ACC1701B, ACC1701C and ACC1701D, and from ACC1701X for non-business students. The pedagogy, course requirements, sequence of topics and assessment patterns are different for each of these courses.

Instructor

A/P (Educator) Stephen Lynn
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Class timings and location (correct as of June 23 2024)

ACC1701A section A1: Mondays 1200-1500 hrs, BIZ1 02-04
ACC1701A section A2: Mondays 1500-1800 hrs, BIZ1 02-04
ACC1701A section A3: Fridays 1200-1500 hrs, HSS 3-02

Learning outcomes

LO1 Prepare the accounts for a small service or merchandise-trading business (at an introductory level). We will start learning this via a continuing problem assigned for weekly homework, which builds a simple accounting system for a fictional company.

LO2 Read financial statements of listed companies with a view to making better investing decisions (at an introductory level). We will start learning this in seminar classes by analysing the recent financial statements of listed Singapore companies including Sheng Siong, FJ Benjamin, the Hourglass, and Singapore Airlines.

This course, together with other higher-level accounting courses, is accredited by the Institute of Singapore Chartered Accountants and other professional qualifications.

We will focus mainly on LO1 in this course, as knowledge of how to prepare accounts is a prerequisite for expert financial statement analysis (LO2). For example, the CFA qualification extensively tests advanced accounting topics in their professional exams. Higher-level financial statement analysis can be studied at NUS via the advanced elective FIN3720 Financial Statement Analysis, for which this course is one prerequisite.

Apart from these course-specific outcomes, we share some common desired outcomes with the BBA program and especially the foundation courses. Ethics is prominent among these shared desired learning outcomes.

Ethics

Ethics is the ability to distinguish right from wrong. Ethics is particularly important in business, where strangers engage in transactions where all are seeking their own enlightened self-interest. Unless the stranger you are dealing with can trust you, and unless you can trust that stranger, the transaction will not happen. Survival in business therefore depends on being ethical and trustworthy and knowing when others are ethical and trustworthy. These qualities can be cultivated by studying ethics in BBA courses, including ACC1701.

More specific to accounting, to quote from our recommended textbook (Wild-Kwok-Shaw page 5), “Accountants face ethical choices as they prepare financial reports. These choices can affect the salaries and bonuses paid to workers. They even can affect the success of products and services. Misleading information can lead to a bad decision that harms workers and the business. There is an old saying: Good ethics are good business.”

Ethics will be tested in the midterm test and final exam. Ethics problems will also be assigned as part of some homework sets and will be discussed in class.

Textbooks (recommended, but not compulsory)

Wild, Kwok, Shaw, 2022, Principles of financial accounting (Asia Global Edition), Singapore:McGraw-Hill. Library catalogue: <https://linc.nus.edu.sg/record=b4327419>

Annand and Dauderis, 2021, Introduction to financial accounting (this is a freely distributable and open-source textbook. You can find a copy on the Canvas website for ACC1701A.)

Assessments

Final exam (get date and time from Canvas or NUSMods)	50%
Midterm test	30%
Class participation	20%

Final exam

The final exam will be an e-assessment on Exemplify. The exam duration is 2 hours. The exam is closed-book (secure), but you are allowed to bring one single A4-sized sheet of paper as a reference sheet, which can be written or typed on both sides. Two sheets of rough paper (and no more) will be provided for workings. The format will consist of essay-based questions only, with four questions. The exam total marks are 100. One question will be on ethics with a weight of 10 marks. The three remaining questions would carry 30 marks each. Of these, one would require preparation of a balance sheet among other requirements, one would require preparation and/or analysis of a cash flow statement, while the third question would be a wild card. The scope of the final exam is comprehensive and covers the entire syllabus. Practice exams will be posted just before reading week.

Midterm test

The midterm test will be an e-assessment on Exemplify. The test duration is 1.5 hours. The test is closed-book (secure). No cheat sheet is allowed. Two sheets of rough paper (and no more) will be provided for workings. The total marks for the test are 30 marks. Of these, 20 marks are multiple-choice questions worth 1 mark each, while 10 marks are for a fill-in-the-blank question.¹ The

¹ Please be warned that the fill-in-the-blank question is scored automatically by the computer system. As such, you need to follow the input instructions *exactly* to get marks. For example, if the instructions specify that you should not use commas in typing numbers, entering 1,000,000 rather than 1000000 would be marked wrong with no appeal allowed.

midterm test would cover all topics up to and including week 6, including the homework due in week 7. Practice tests will be posted just before recess week.

The tentative midterm test date (TBC) is Saturday 12th October 2024 1000 hrs. Venue to be advised.

Class participation

Class participation is based on attendance, responding to calls to share solutions to in-class exercises, responding to calls to share homework answers, participation in pop quizzes, and participation in any other instructor-created activities that the instructor may flag as counting for participation marks, such as some discussions on Canvas.

Teaching and learning activities

The course will be conducted through seminar classes. These will typically step through guided exercises in class, as well as go through the solution to a homework problem for the week mostly based on the previous week's topic. Pop quizzes will be conducted in some classes.

Weekly schedule (Subject to change. A more detailed schedule is posted separately on Canvas)

Week 1: The accounting equation
Week 2: Debits and credits
Week 3: Adjusting and closing
Week 4: Merchandising accounts
Week 5: Merchandise inventory
Week 6: Cash and trade receivables

RECESS WEEK

Week 7: Notes (receivable and payable), warranty provision
Week 8: Property, plant and equipment
Week 9: Accounting for corporations: the Statement of Comprehensive Income, and the Statement of Changes in Equity
Week 10: Accounting for corporations: Preference shares, treasury shares, bonus shares
Week 11: Statement of Cash Flows: Cash flow from operating activities
Week 12: Statement of Cash Flows: Cash flow from investing activities, Cash flow from financing activities
Week 13: Course review